

EXHIBIT B

To:

Centria Healthcare Chief Executive Officer
Scott C. Barry
41521 W. 11 Mile Rd
Novi, MI 48375

From:

Centria Healthcare Chief Compliance Officer
Vanessa D. Pawlak
41521 W. 11 Mile Rd
Novi, MI 48375

Date: January 18, 2017

Subject: Medicaid Fraud Alert

Scott,

It has come to my attention that Centria Autism Services is knowingly defrauding Medicaid. Centria currently has practitioners delivering care in the Qualified Behavioral Health Professional (QBHP) capacity with qualifications only allowing such professionals to deliver care in a Behavior Technician capacity per formal education requirements. Per the State of Michigan Department of Health and Human Services (MI DHHS), Centria QBHPs, commonly referred to by Centria as Behavior Consultants (BCs), are actively overseeing cases without meeting state requirements to perform in such a supervisory role. Further, Centria is knowingly billing the state Medicaid Program for services delivered by unqualified QBHPs after the state discovered in a 2016 MI DHHS/Wayne County audit that three of Centria's practitioners were in such violation. Per the state at that time, Centria was directed to immediately remove the three individuals from their active ongoing cases and replace them with qualified professionals. The specific QBHP qualifications were clearly outlined to Centria at that time and Centria was directed to discontinue any and all occurrence of this violation.

On January 12, 2017 it was disclosed to me that the violation was not only still occurring, but that it had grown to approximately 52 affected client cases. Upon further investigation, 27 cases are in process of being staffed with an unqualified professional, and 25 have been staffed ongoing with unqualified professionals rendering care regardless of advice to leadership to remove these individuals from their cases for appropriate staffing with qualified professionals. Not only is Centria willfully jeopardizing the treatment and care of its clients, it is in violation of the False Claims Act whereby claims for unqualified professionals are being submitted to Medicaid for payment and Centria is further collecting the revenue and profit from such reimbursement. To be very clear, Centria receives a higher rate of reimbursement from Medicaid for QBHPs than for Behavior Technicians.

Moreover, on January 17th, 2017, upon my communication of such knowledge as the Chief Compliance Officer to you, the Chief Executive Officer, including multiple requests to meet with you to discuss and rectify the issue, you have ignored such requests and further instructed staff who were aware of the circumstance not to speak to me, not to raise any compliance concerns to me, and further told them that "Vanessa is the enemy and not our friend". Not only is such conduct unbecoming of a Chief Executive Officer, but it is an obstruction of an ongoing investigation of which is also a violation of the law.

Not only are you criminally liable for multiple violations aforementioned, you have put the entire organization at risk, including all members of the Board of Directors. You have also forced my actions. Due to my knowledge, should I choose not to take action, I am culpable in my role.

Therefore, within 48 hours I am requesting that you confirm your understanding of this compliance memo and Medicaid Fraud Alert. You are required to remove all unqualified resources from serving in a role other than that role of which they are qualified by the state to deliver care. You are not to deploy any unqualified practitioners on forthcoming cases, such as the 27 pending deployment. I am further requesting that you ascertain the exact damages of the cases affected by this violation, the duration of ongoing offense for each case, and the associated financial impact of such ongoing offenses. You must self-disclose this violation and the impact of it to the Michigan Medicaid Office at the MI DHHS for further handling. I am requesting to see all evidence of meeting such expectations. Finally, should you have awareness to this issue occurring in any other area of Centria, I am requiring that you immediately bring the issue to my attention so it may be appropriately resolved.

Should you choose to ignore this notification, I am required to notify the Board of Directors of their criminal liability. Depending on its subsequent actions therein to effectively rectify this issue, I may be required to report this issue to the Medicaid Fraud Control Unit and also the Office of Inspector General.

The Centers for Medicare and Medicaid Services, along with the Office of Inspector General require your organization to have a Compliance Officer. The regulations are clear in the role and responsibility of such individual under these agencies and under the Federal Sentencing Guidelines. A Compliance Officer is an individual required by oversight and enforcement agencies to protect federal healthcare programs, but also to protect the organization itself, its leaders and workforce of which the Compliance Officer serves. This is why it is critically important that the Chief Executive Officer, including all other workforce members, work in partnership with the Compliance Officer to quickly, honestly, and effectively escalate issues for resolution. This role is carried out through collaboration and communication without delay, with all staff, directors, and executives of the company using effective lines of communication, written standards of conduct, and effective monitoring and oversight, among other protocols. The Chief Executive Officer and Board of Directors is to work closely with the Compliance Officer to proactively and effectively detect, prevent, and respond to suspected offenses and violations of the regulations and policies governing the organization so they may be appropriately resolved.

Unfortunately, in this case, I have been prevented from doing so and I am now required to follow enforcement agency requirements of me to resolve this issue.

Regards,

Vanessa D. Pawlak

Vanessa D. Pawlak
Centria Healthcare Chief Compliance Officer